

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT PETITION FOR THE)	
TRANSFER OF NORTHLAND)	CASE NO. 97-510
SEWER CO. AND RESIDENTIAL)	
CUSTOMERS AS PROVIDED)	
BY 807 KAR 5:001)	

O R D E R

Northland Sewer Company owned by A-1 Builders (hereinafter "Northland") and Dwight Stevens (hereinafter "Stevens") have jointly applied for Commission approval for Stevens to acquire the assets of Northland Sewer Company. Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Northland is an activated sludge-aeration treatment facility that provides sewage service to 39 residential customers in the Northland Estates Subdivision located in Corbin, Laurel County, Kentucky.

2. Northland's sewage treatment facility has a maximum daily capacity of 50,000 gallons and is considered a Class I wastewater treatment system. 401 KAR 5:010, Section 8.

3. The operator of the sewage treatment facility will be Jason Senters. The Kentucky Board of Certification of Wastewater System Operators has certified Mr. Senters to operate Class III wastewater systems. Mr. Senters, therefore, is qualified to operate a Class I wastewater system. See 401 KAR 5:010, Section 10.

4. Pursuant to an agreement entered into between A-1 Builders and Stevens for the sale and transfer of 23 acres in Phase II Northland Estates Subdivision and 4

acres described in Deed Book 297, Page 149 for \$30,000, A-1 Builders has agreed to sell Northland Sewer Company including the sewage treatment facility, all associated real estate and equipment in Phase I Northland Estates to Stevens for the sum of \$1.

5. Stevens has the financial, technical and managerial abilities to provide reasonable utility service.

6. The proposed transfer of Northland's sewage treatment facility to Stevens should be approved with the condition that Stevens file with the Commission an Irrevocable Letter of Credit within 45 days from the date of this Order.

IT IS THEREFORE ORDERED that:

1. The proposed transfer of Northland's sewage treatment facility from A-1 Builders to Stevens is approved with the condition that Stevens shall file with the Commission an Irrevocable Letter of Credit in the amount of \$5,000 within 45 days from the date of this Order.

2. Within 10 days of the date of transfer, Stevens shall file with the Commission in accordance with Commission Regulation 807 KAR 5:011 an adoption notice adopting, ratifying, and making its own all of Northland's rates, rules, classifications, and regulations on file with the Commission and effective at the time of transfer.


3. Within 30 days of the date of the transfer, A-1 Builders shall file with the commission an annual report for the sewage treatment facility for the period of 1998 in which it owned the facility.

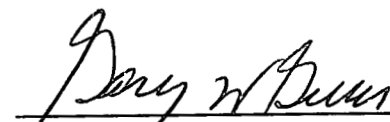
4. If the transfer has not occurred by May 31, 1998, Northland shall advise the Commission in writing on that date.

Done at Frankfort, Kentucky, this 1st day of April, 1998.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director